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SENSITIVE
SIPDIS

STATE PASS TO USTR FOR CHRIS WILSON, JASON BUNTIN
STATE PASS TO DOC FOR STEVEN GARRETT
DEPT FOR NEA/ARP, EB/TPP/BTA, E FOR U/S ROBERT HORMATS

E.O. 12958: N/A

TAGS: [ETRD](#) [KIPR](#) [ECON](#) [EINV](#) [PREL](#) [SA](#)

SUBJECT: U.S. INDUSTRY SAYS SAG IMPLEMENTATION OF EMR
AGREEMENT A "FANTASTIC STEP"

REF: A. RIYADH 524

- [1B.](#) RIYADH 1366
- [1C.](#) RIYADH 1375
- [1D.](#) RIYADH 1422
- [1E.](#) RIYADH 1425
- [1F.](#) RIYADH 1426
- [1G.](#) RIYADH 1441
- [1H.](#) RIYADH 1459
- [1I.](#) RIYADH 1493

[11.](#) (SBU) Chairman of the Saudi Intellectual Property Rights (IPR) Committee Mohammad Al-Aiyash told Econoffs that the Saudi government had begun implementing the Exclusive Marketing Rights (EMR) agreement which King Abdullah signed in October. The Ministry of Commerce and Industry, Saudi Food and Drug Authority (SFDA), King Abdulaziz City for Science and Technology (KACST), and the Ministry of Health met November 14 and agreed on a process for implementation of the EMR, he said. Al-Aiyash explained that pharmaceutical companies need to apply to KACST specifically for EMR protections. This application is different from a patent application and requires companies to outline their application history and justification for receiving EMR protection, he said. Once they determine a drug warrants EMR coverage, KACST's Directorate General for Industrial Property will inform SFDA in writing.

[12.](#) (SBU) Asked when the EMR agreement would be published in the official gazette, Al-Aiyash said it could "take time," particularly in light of the Hajj and Eid holidays (November 19 to December 5). Al-Aiyash noted, however, that KACST was prepared to process EMR applications immediately, even before the official publication of the regulation.

[13.](#) (SBU) A pharmaceutical industry representative told Econoff that the EMR implementation demonstrated both the SAG's commitment to protecting intellectual property and its willingness to adopt creative solutions to do so. The implementation of the EMR is a "fantastic step," as it will protect several products which had lost protection in the shift from the old to the new Saudi patent law in 2004.
SMITH